

WHEREAS, The state of South Dakota recognizes that outpatient prescription drugs are an essential component of patient care; and,

WHEREAS, The state of South Dakota provides prescription drug coverage as a health benefit for its citizens who qualify for the Medicaid Program under the provisions of SDCL 28-6; and,

WHEREAS, The number of eligibles for the Medicaid Program continues to increase each year; and,

WHEREAS, The state of South Dakota recognizes efforts must be made to establish a plan that will provide for the effective continuation of the prescription drug coverage benefit; and,

WHEREAS, The state of South Dakota recognizes there is a need to address the high costs of prescription drugs, the increased expenditures for those prescription drugs, and the need to find ways to control the costs of prescription drugs while ensuring the needs of recipients are being met; and,

WHEREAS, The state of South Dakota recognizes that requiring a prior authorization program for coverage of a drug can be an effective tool for helping ensure beneficiaries have access to medically necessary medication in a clinically appropriate and cost-effective manner; and,

WHEREAS, Requiring a prior authorization program for coverage of a drug can help control prescription drug costs while protecting the consumer's needs;

IT IS, THEREFORE, BY EXECUTIVE ORDER, directed that the South Dakota Medicaid Pharmaceutical and Therapeutics (P & T) Committee be established and authorized to function in compliance with the following sections of this order.

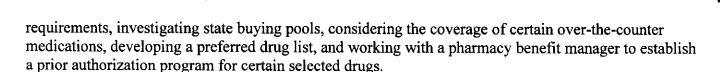
General Provisions

Section 1. The name of the committee is the South Dakota Medicaid Pharmaceutical and Therapeutics (P & T) Committee.

Section 2. The governor of the state of South Dakota may appoint as many members as he deems necessary to accomplish the goals of this committee.

Section 3. The South Dakota Medicaid P & T Committee shall work with the Department of Social Services in addressing the high costs of prescription drugs, the increased expenditures for those prescription drugs, and the need to find ways to control the costs of prescription drugs while ensuring the needs of recipients are being met.

Section 4. The South Dakota Medicaid P & T Committee shall provide expertise and direction to the Department of Social Services in matters relating to the drugs being used by our recipient population including, but not limited to: establishing a prior authorization program, instituting quantity limits, establishing restrictions on early refills, mandating the use of generic drugs, amending the co-pay



Section 5. The South Dakota Medicaid P & T Committee shall make recommendations to the Department of Social Services in the development and maintenance of a list of drugs that will require prior authorization before being dispensed for any medically accepted indication.

Section 6. The South Dakota Medicaid P & T Committee shall ensure that interested parties have an opportunity to present public testimony with information or evidence supporting inclusion of a product for prior authorization.

Section 7. The South Dakota Medicaid P & T Committee shall analyze and consider the recommendations of interested parties and the potential impact of a decision to require prior authorization of a drug for individuals covered by the Medicaid Program under the provisions of SDCL Chapter 28-6.

Section 8. The South Dakota Medicaid P & T Committee shall develop its recommendations of drugs to be placed on the prior authorization program by considering the clinical efficacy, safety, and cost effectiveness of a product.

Section 9. The South Dakota Medicaid P & T Committee shall be administered by the South Dakota Department of Social Services.

Section 10. The South Dakota Medicaid P & T Committee shall meet on a semiannual basis, or more often at the discretion of the Secretary of the Department of Social Services.

Section 11. Each member of the South Dakota Medicaid P & T Committee may receive per diem compensation and allowable reimbursement for expenses pursuant to SDCL 4-7-10.4.

Section 12. Executive Order 2005-09 is hereby rescinded.

Dated in Pierre, South Dakota, this Twenty-fourth day of October, 2011.

Dennis Daugaard, Governor

Attest:

Jason M. Gapt, Secretary of State